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6- JAN 1956

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: Review of [REDACTED] "Sino-Soviet Bloc
Economic Activities in the Middle East and
South and South-East Asia", 19 December 1955

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1. As you requested on 5 January, we have reviewed the subject paper. We are in agreement with the conclusions set forth in the summary section, (pages 1 - 7) and believe it is an excellent intelligence analysis. We concur that the Soviet Bloc has the capability, and has shown the determination to carry on an economic penetration program of significant proportions in the area mentioned.

2. However, the opening sentence in paragraph 4 in the body of the paper is open to the interpretation that the Soviet Bloc countries have already gone "as far as their capabilities allow" in promoting economic intercourse with underdeveloped countries. However, we do not believe that this interpretation is intended. The Soviet Union alone could assume the entire burden of the present Bloc foreign aid program without appreciable internal economic dislocation. Some exception is also taken to the initial sentence in paragraph 11. We do not consider that the present availability of sea transport constitutes a limiting factor in the expansion of Bloc foreign trade with Asia to the levels currently contemplated.

3. There are numerous other specific details contained in the Appendix which are at variance with our information. The most notable among these are found in the sections on Egypt (paragraphs 2-5) and Afghanistan (paragraphs 12-15).

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SUBJECT: Review of [REDACTED] "Sino-Soviet Bloc Economic Activities in the Middle East and South and South-East Asia", 15 December 1955

5. The section on Afghanistan contains a number of unverified statements which we are inclined to discount. Among these are: the report that Poland has extended a \$15 million credit; the report that the USSR has made a \$3.5 million gift for grain elevators, a flour mill and a bakery; the report that the Soviet Union sent a military mission to Kabul.

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[REDACTED]
OTTO E. GURNE
Assistant Director
Research and Reports

Enclosure:
Subject Paper

Distribution:
Orig. and 1 - Addressee
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OCh/E/RR: [REDACTED]:wx/2763 (6 January 1956)

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